

Energy (r)evolution – new normal?

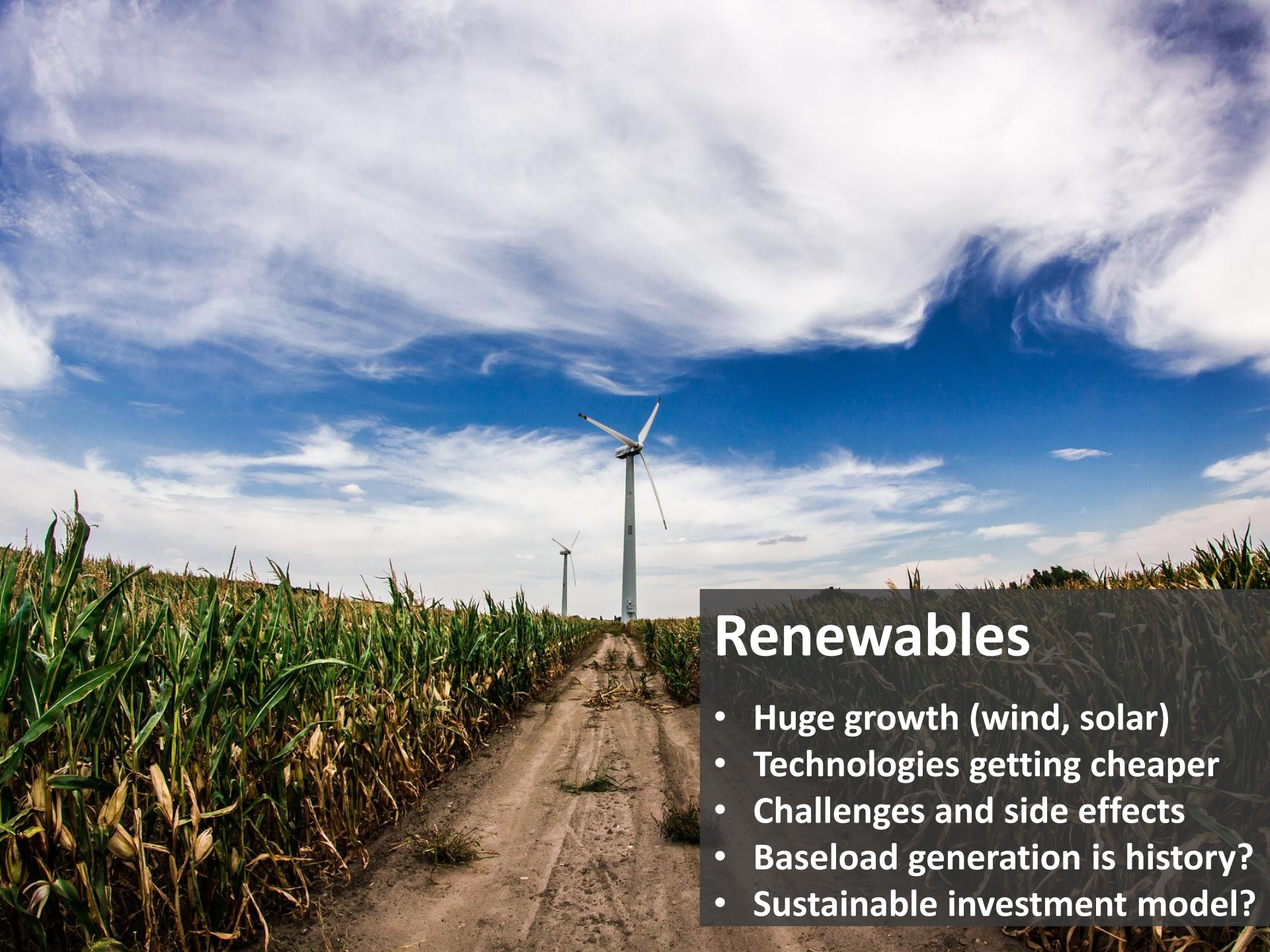


Dr. Dalius Misiunas,
Chairman of the Board and Chief Executive Officer
24/11/2015

What drives revolution?



TECHNOLOGY



Renewables

- Huge growth (wind, solar)
- Technologies getting cheaper
- Challenges and side effects
- Baseload generation is history?
- Sustainable investment model?



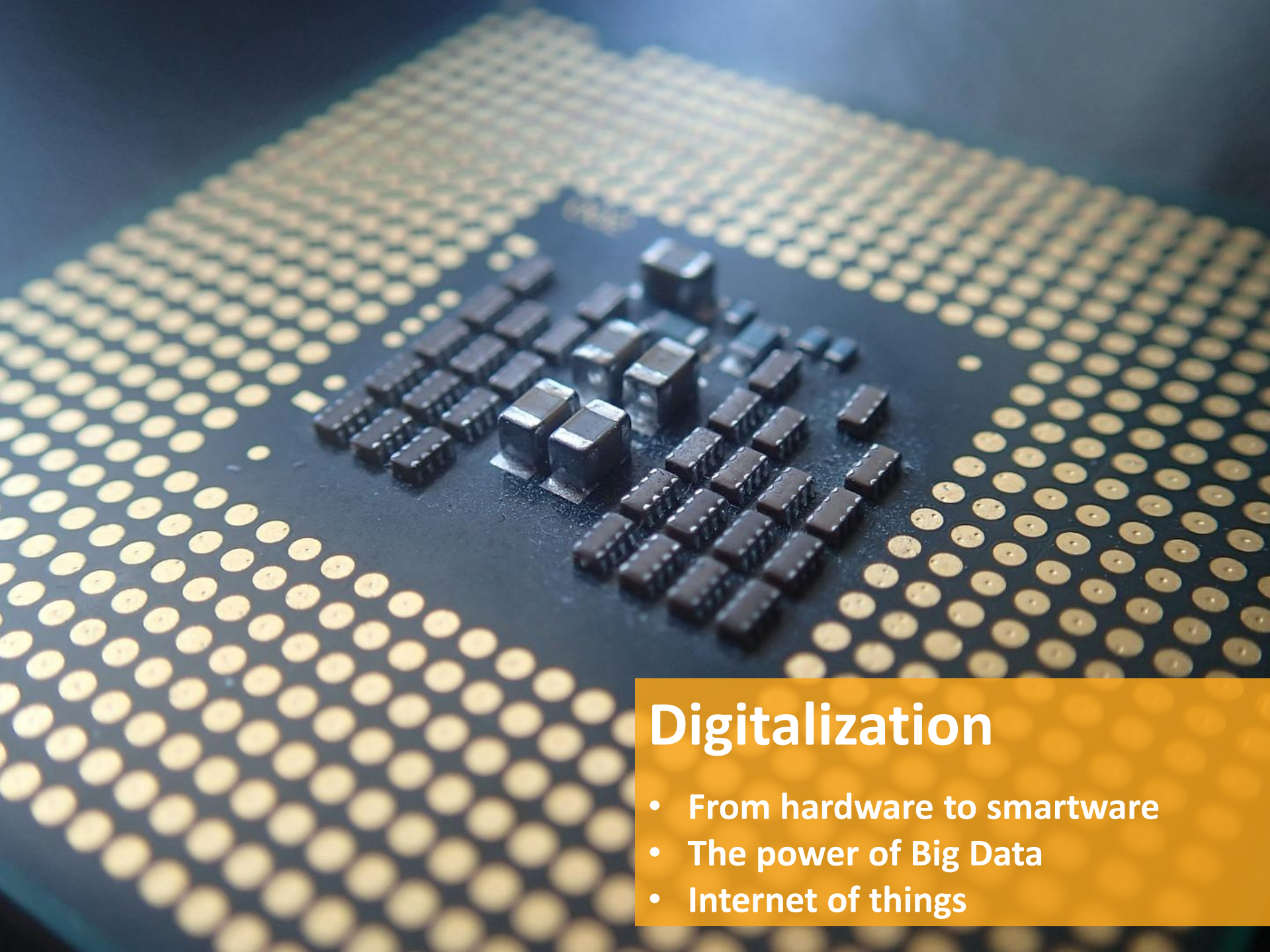
Unconventional oil and gas

- US and the rest of the world
- LNG development
- Exports from US



e-Mobility

- From funny to most advanced
- Dependent on support
- Part of energy system



Digitalization

- From hardware to smartware
- The power of Big Data
- Internet of things



MARKET DESIGN



National markets become regional/global

- BEMIP
- NPS
- Energy Union
- Global LNG



New concept of the security of supply

- Interconnections replace generation
- Market price concept
- Subsidy leakage, Carbon leakage



New game in the market

- Prosumers
- Small-scale storage
- Grid parity
- Every home a power plant?

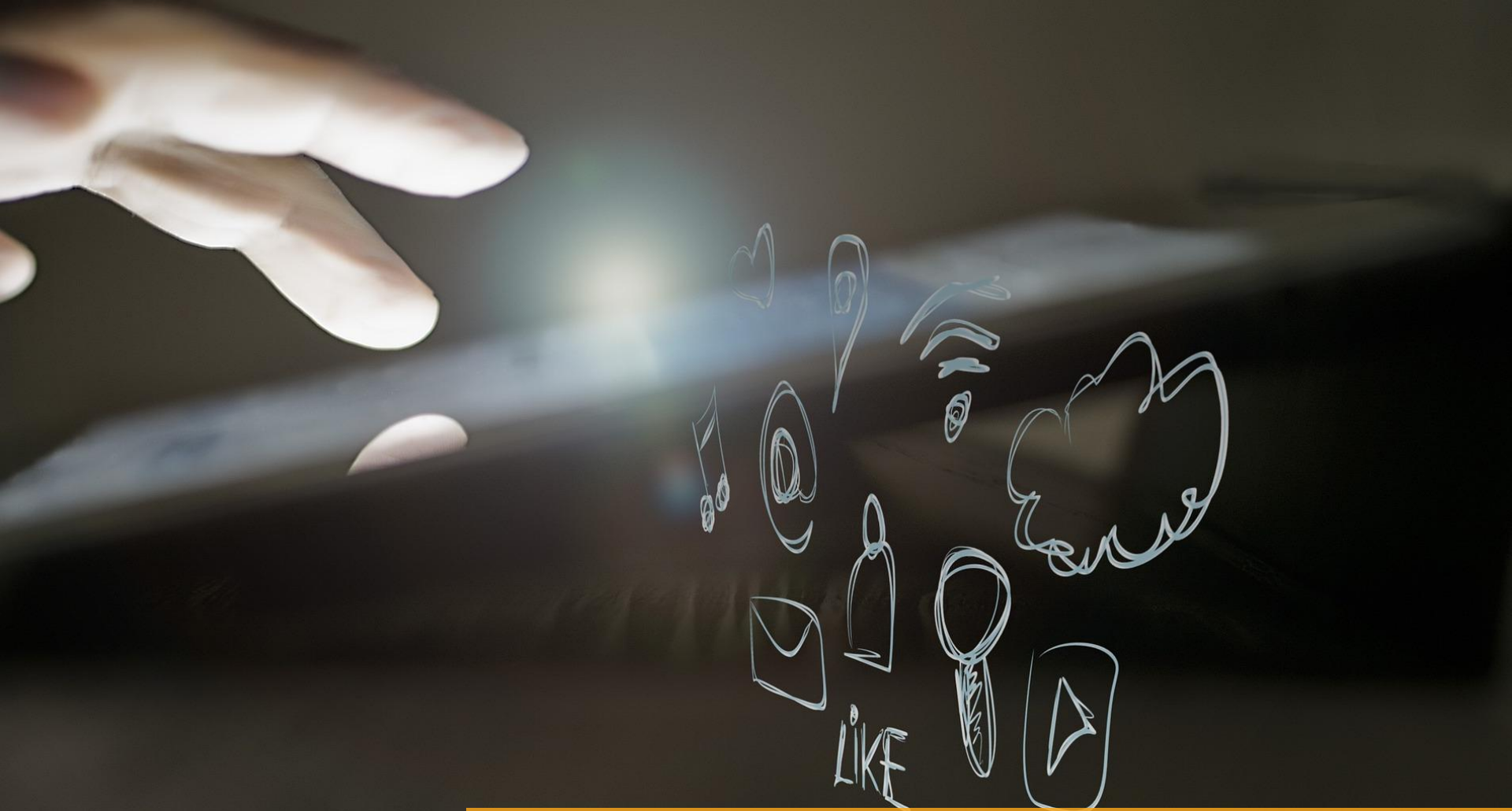


BUSINESS MODEL



System-centric to client-centric

- CLIENT comes first
- From one-fits-all to individual
- Small vs. large business



From products to services

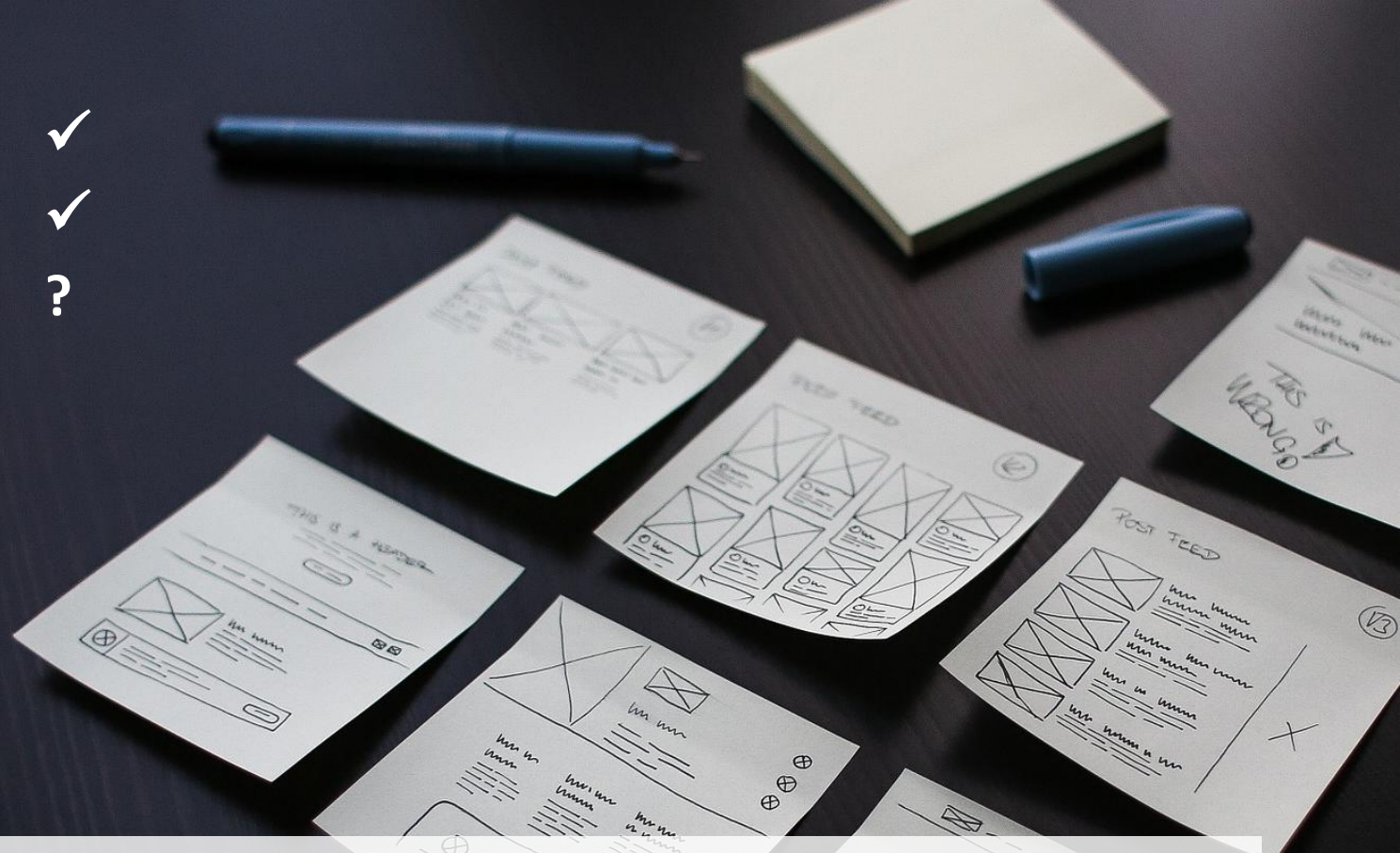
- Pay to be connected
- Zero-priced energy
- Buying heat and light instead of gas and electricity

Where are we now?

Reliable ✓

Convenient ✓

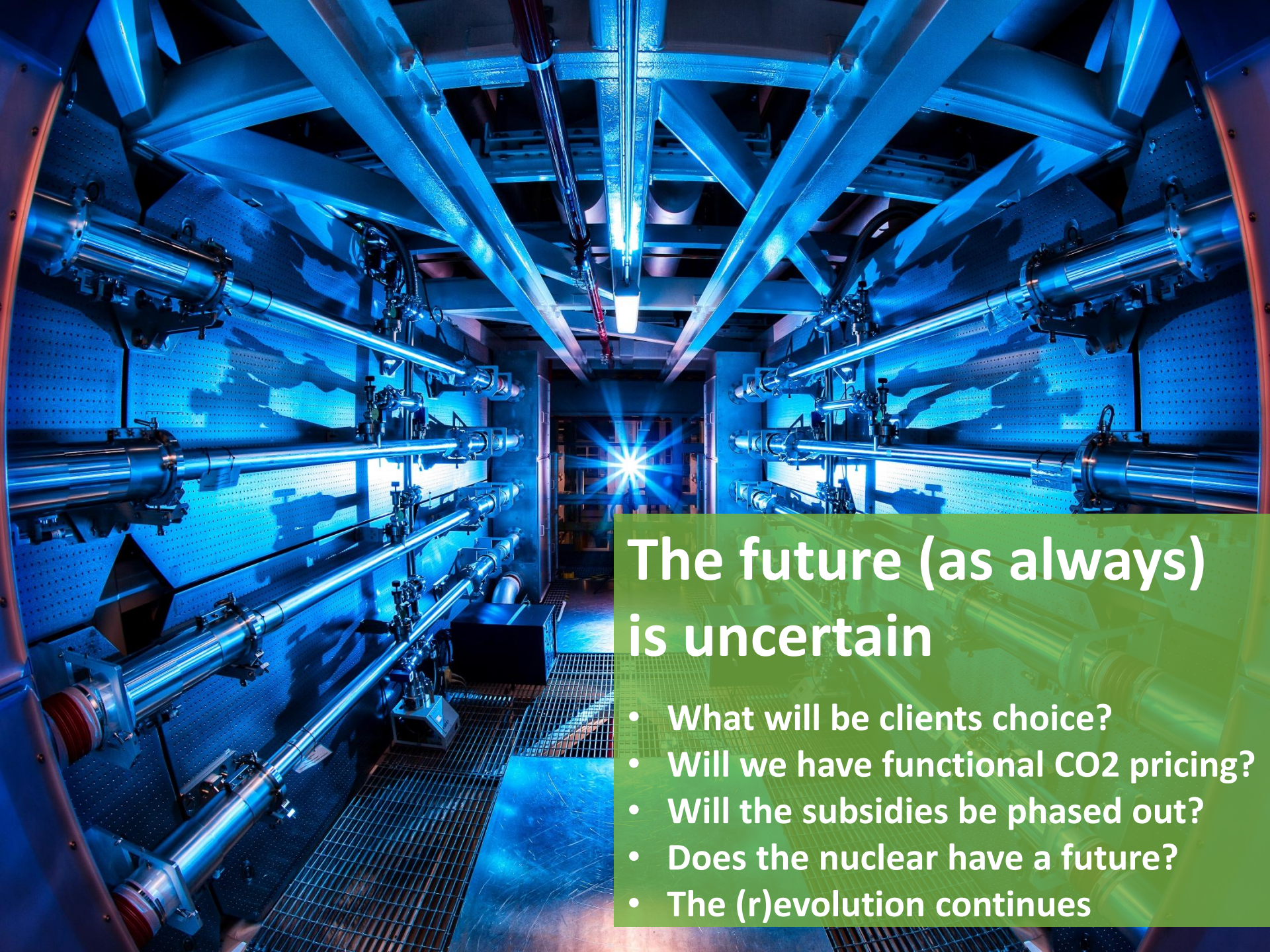
Competitive ?



Results so far – Lithuania

- Security of supply increased
- Infrastructure investments and decreasing demand are driving up grid fees
- Product price going down, overall price lower than EU average
- Prices for industry need to go down to increase the competitiveness
- Energy industry can become an important part of our economy?

What's next?



The future (as always) is uncertain

- What will be clients choice?
- Will we have functional CO2 pricing?
- Will the subsidies be phased out?
- Does the nuclear have a future?
- The (r)evolution continues

“ The next energy revolution won't be
wind or solar. It will be our brains.
(The Washington Post)

